



Reprinted
February 13, 2015

SENATE BILL No. 422

DIGEST OF SB 422 (Updated February 12, 2015 4:04 pm - DI 120)

Citations Affected: IC 33-37; IC 36-2; IC 36-4; IC 36-7.

Synopsis: Court security fees and funds. Provides that a county, city, or town may adopted an ordinance to establish a local court security fee. Provides that the revenue provided to a county, city, or town from a local court security fee may be used only for local court security purposes. Provides that a redevelopment commission may provide revenue to a county, city, or town from property tax proceeds allocated to the redevelopment commission from a tax increment financing area, if the legislative body of the county, city, or town and the redevelopment commission adopt substantially similar authorizing resolutions following a joint public hearing. Provides that the revenue provided to a county, city, or town from a redevelopment commission may be used only for local court security purposes.

Effective: July 1, 2015.

**Grooms, Steele, Head, Bassler,
Arnold J, Randolph, Niemeyer**

January 12, 2015, read first time and referred to Committee on Judiciary.
January 29, 2015, amended, reported favorably — Do Pass.
February 2, 2015, read second time, amended, ordered engrossed.
February 3, 2015, engrossed.
February 5, 2015, returned to second reading.
February 12, 2015, re-read second time, amended, ordered engrossed.

SB 422—LS 6305/DI 69



Reprinted
February 13, 2015

First Regular Session 119th General Assembly (2015)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

SENATE BILL No. 422

A BILL FOR AN ACT to amend the Indiana Code concerning courts and court officers and to make an appropriation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 33-37-5-33 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2015]: **Sec. 33. (a) This section applies only if the legislative body**
4 **of a county, city, or town has established a local court security fee.**
5 **(b) In each action in which a person is required to pay:**
6 **(1) a criminal costs fee under IC 33-37-4-1; or**
7 **(2) a civil costs fee under IC 33-37-4-4;**
8 **the clerk shall collect a court security fee of two dollars (\$2).**
9 SECTION 2. IC 33-37-7-2, AS AMENDED BY P.L.284-2013,
10 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
11 JULY 1, 2015]: Sec. 2. (a) The clerk of a circuit court shall distribute
12 semiannually to the auditor of state as the state share for deposit in the
13 homeowner protection unit account established by IC 4-6-12-9 one
14 hundred percent (100%) of the automated record keeping fees collected
15 under IC 33-37-5-21 with respect to actions resulting in the accused
16 person entering into a pretrial diversion program agreement under

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IC 33-39-1-8 or a deferral program agreement under IC 34-28-5-1 and for deposit in the state general fund seventy percent (70%) of the amount of fees collected under the following:

- (1) IC 33-37-4-1(a) (criminal costs fees).
- (2) IC 33-37-4-2(a) (infraction or ordinance violation costs fees).
- (3) IC 33-37-4-3(a) (juvenile costs fees).
- (4) IC 33-37-4-4(a) (civil costs fees).
- (5) IC 33-37-4-6(a)(1)(A) (small claims costs fees).
- (6) IC 33-37-4-7(a) (probate costs fees).
- (7) IC 33-37-5-17 (deferred prosecution fees).

(b) The clerk of a circuit court shall distribute semiannually to the auditor of state for deposit in the state user fee fund established in IC 33-37-9-2 the following:

- (1) Twenty-five percent (25%) of the drug abuse, prosecution, interdiction, and correction fees collected under IC 33-37-4-1(b)(5).
- (2) Twenty-five percent (25%) of the alcohol and drug countermeasures fees collected under IC 33-37-4-1(b)(6), IC 33-37-4-2(b)(4), and IC 33-37-4-3(b)(5).
- (3) One hundred percent (100%) of the child abuse prevention fees collected under IC 33-37-4-1(b)(7).
- (4) One hundred percent (100%) of the domestic violence prevention and treatment fees collected under IC 33-37-4-1(b)(8).
- (5) One hundred percent (100%) of the highway work zone fees collected under IC 33-37-4-1(b)(9) and IC 33-37-4-2(b)(5).
- (6) One hundred percent (100%) of the safe schools fee collected under IC 33-37-5-18.
- (7) The following:
 - (A) For a county operating under the state's automated judicial system, one hundred percent (100%) of the automated record keeping fee (IC 33-37-5-21) not distributed under subsection (a).
 - (B) This clause applies before July 1, 2013, and after June 30, 2015. For a county not operating under the state's automated judicial system, eighty percent (80%) of the automated record keeping fee (IC 33-37-5-21) not distributed under subsection (a).
 - (C) This clause applies after June 30, 2013, and before July 1, 2015. For a county not operating under the state's automated judicial system, five dollars (\$5) of the automated record keeping fee (IC 33-37-5-21) not distributed under subsection (a).



(c) The clerk of a circuit court shall distribute monthly to the county auditor the following:

(1) Seventy-five percent (75%) of the drug abuse, prosecution, interdiction, and correction fees collected under IC 33-37-4-1(b)(5).

(2) Seventy-five percent (75%) of the alcohol and drug countermeasures fees collected under IC 33-37-4-1(b)(6), IC 33-37-4-2(b)(4), and IC 33-37-4-3(b)(5).

The county auditor shall deposit fees distributed by a clerk under this subsection into the county drug free community fund established under IC 5-2-11.

(d) The clerk of a circuit court shall distribute monthly to the county auditor one hundred percent (100%) of the late payment fees collected under IC 33-37-5-22. The county auditor shall deposit fees distributed by a clerk under this subsection as follows:

(1) If directed to do so by an ordinance adopted by the county fiscal body, the county auditor shall deposit forty percent (40%) of the fees in the clerk's record perpetuation fund established under IC 33-37-5-2 and sixty percent (60%) of the fees in the county general fund.

(2) If the county fiscal body has not adopted an ordinance described in subdivision (1), the county auditor shall deposit all the fees in the county general fund.

(e) The clerk of the circuit court shall distribute semiannually to the auditor of state for deposit in the sexual assault victims assistance account established by IC 5-2-6-23(h) one hundred percent (100%) of the sexual assault victims assistance fees collected under IC 33-37-5-23.

(f) The clerk of a circuit court shall distribute monthly to the county auditor the following:

(1) One hundred percent (100%) of the support and maintenance fees for cases designated as non-Title IV-D child support cases in the Indiana support enforcement tracking system (ISETS) or the successor statewide automated support enforcement system collected under IC 33-37-5-6.

(2) The percentage share of the support and maintenance fees for cases designated as Title IV-D child support cases in ISETS or the successor statewide automated support enforcement system collected under IC 33-37-5-6 that is reimbursable to the county at the federal financial participation rate.

The county clerk shall distribute monthly to the department of child services the percentage share of the support and maintenance fees for



cases designated as Title IV-D child support cases in ISETS, or the successor statewide automated support enforcement system, collected under IC 33-37-5-6 that is not reimbursable to the county at the applicable federal financial participation rate.

(g) The clerk of a circuit court shall distribute monthly to the county auditor the following:

(1) One hundred percent (100%) of the small claims service fee under IC 33-37-4-6(a)(1)(B) or IC 33-37-4-6(a)(2) for deposit in the county general fund.

(2) One hundred percent (100%) of the small claims garnishee service fee under IC 33-37-4-6(a)(1)(C) or IC 33-37-4-6(a)(3) for deposit in the county general fund.

(h) This subsection does not apply to court administration fees collected in small claims actions filed in a court described in IC 33-34. The clerk of a circuit court shall semiannually distribute to the auditor of state for deposit in the state general fund one hundred percent (100%) of the following:

(1) The public defense administration fee collected under IC 33-37-5-21.2.

(2) The judicial salaries fees collected under IC 33-37-5-26.

(3) The DNA sample processing fees collected under IC 33-37-5-26.2.

(4) The court administration fees collected under IC 33-37-5-27.

(i) The clerk of a circuit court shall semiannually distribute to the auditor of state for deposit in the judicial branch insurance adjustment account established by IC 33-38-5-8.2 one hundred percent (100%) of the judicial insurance adjustment fee collected under IC 33-37-5-25.

(j) The proceeds of the service fee collected under IC 33-37-5-28(b)(1) or IC 33-37-5-28(b)(2) shall be distributed as follows:

(1) The clerk shall distribute one hundred percent (100%) of the service fees collected in a circuit, superior, county, or probate court to the county auditor for deposit in the county general fund.

(2) The clerk shall distribute one hundred percent (100%) of the service fees collected in a city or town court to the city or town fiscal officer for deposit in the city or town general fund.

(k) The proceeds of the garnishee service fee collected under IC 33-37-5-28(b)(3) or IC 33-37-5-28(b)(4) shall be distributed as follows:

(1) The clerk shall distribute one hundred percent (100%) of the garnishee service fees collected in a circuit, superior, county, or probate court to the county auditor for deposit in the county



1 general fund.

2 (2) The clerk shall distribute one hundred percent (100%) of the
3 garnishee service fees collected in a city or town court to the city
4 or town fiscal officer for deposit in the city or town general fund.

5 (l) The clerk of the circuit court shall distribute semiannually to the
6 auditor of state for deposit in the home ownership education account
7 established by IC 5-20-1-27 one hundred percent (100%) of the
8 following:

9 (1) The mortgage foreclosure counseling and education fees
10 collected under IC 33-37-5-32 (before its expiration on January
11 1, 2015).

12 (2) Any civil penalties imposed and collected by a court for a
13 violation of a court order in a foreclosure action under
14 IC 32-30-10.5.

15 (m) This subsection applies to a county that is not operating under
16 the state's automated judicial system. The clerk of a circuit court shall
17 distribute monthly to the county auditor the following part of the
18 automated record keeping fee (IC 33-37-5-21) not distributed under
19 subsection (a) for deposit in the clerk's record perpetuation fund:

20 (1) Twenty percent (20%), before July 1, 2013, and after June 30,
21 2015.

22 (2) Two dollars (\$2) of each fee collected, after June 30, 2013,
23 and before July 1, 2015.

24 (n) The clerk of a circuit court shall distribute semiannually to the
25 auditor of state one hundred percent (100%) of the pro bono legal
26 services fees collected before July 1, 2017, under IC 33-37-5-31. The
27 auditor of state shall transfer semiannually the pro bono legal services
28 fees to the Indiana Bar Foundation (or a successor entity) as the entity
29 designated to organize and administer the interest on lawyers trust
30 accounts (IOLTA) program under Rule 1.15 of the Rules of
31 Professional Conduct of the Indiana supreme court. The Indiana Bar
32 Foundation shall:

33 (1) deposit in an appropriate account and otherwise manage the
34 fees the Indiana Bar Foundation receives under this subsection in
35 the same manner the Indiana Bar Foundation deposits and
36 manages the net earnings the Indiana Bar Foundation receives
37 from IOLTA accounts; and

38 (2) use the fees the Indiana Bar Foundation receives under this
39 subsection to assist or establish approved pro bono legal services
40 programs.

41 The handling and expenditure of the pro bono legal services fees
42 received under this section by the Indiana Bar Foundation (or its



successor entity) are subject to audit by the state board of accounts. The amounts necessary to make the transfers required by this subsection are appropriated from the state general fund.

(o) The clerk of a circuit court shall distribute monthly to the county auditor one hundred percent (100%) of the local court security fees collected under IC 33-37-5-33 for deposit in the county general fund. These funds may be used only for the purposes described in IC 36-2-21-3.

SECTION 3. IC 33-37-7-8, AS AMENDED BY P.L.136-2012, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 8. (a) The clerk of a city or town court shall distribute semiannually to the auditor of state as the state share for deposit in the homeowner protection unit account established by IC 4-6-12-9 one hundred percent (100%) of the automated record keeping fees collected under IC 33-37-5-21 with respect to actions resulting in the accused person entering into a pretrial diversion program agreement under IC 33-39-1-8 or a deferral program agreement under IC 34-28-5-1 and for deposit in the state general fund fifty-five percent (55%) of the amount of fees collected under the following:

- (1) IC 33-37-4-1(a) (criminal costs fees).
- (2) IC 33-37-4-2(a) (infraction or ordinance violation costs fees).
- (3) IC 33-37-4-4(a) (civil costs fees).
- (4) IC 33-37-4-6(a)(1)(A) (small claims costs fees).
- (5) IC 33-37-5-17 (deferred prosecution fees).

(b) The city or town fiscal officer shall distribute monthly to the county auditor as the county share twenty percent (20%) of the amount of fees collected under the following:

- (1) IC 33-37-4-1(a) (criminal costs fees).
- (2) IC 33-37-4-2(a) (infraction or ordinance violation costs fees).
- (3) IC 33-37-4-4(a) (civil costs fees).
- (4) IC 33-37-4-6(a)(1)(A) (small claims costs fees).
- (5) IC 33-37-5-17 (deferred prosecution fees).

(c) The city or town fiscal officer shall retain twenty-five percent (25%) as the city or town share of the fees collected under the following:

- (1) IC 33-37-4-1(a) (criminal costs fees).
- (2) IC 33-37-4-2(a) (infraction or ordinance violation costs fees).
- (3) IC 33-37-4-4(a) (civil costs fees).
- (4) IC 33-37-4-6(a)(1)(A) (small claims costs fees).
- (5) IC 33-37-5-17 (deferred prosecution fees).

(d) The clerk of a city or town court shall distribute semiannually to



the auditor of state for deposit in the state user fee fund established in IC 33-37-9 the following:

(1) Twenty-five percent (25%) of the drug abuse, prosecution, interdiction, and correction fees collected under IC 33-37-4-1(b)(5).

(2) Twenty-five percent (25%) of the alcohol and drug countermeasures fees collected under IC 33-37-4-1(b)(6), IC 33-37-4-2(b)(4), and IC 33-37-4-3(b)(5).

(3) One hundred percent (100%) of the highway work zone fees collected under IC 33-37-4-1(b)(9) and IC 33-37-4-2(b)(5).

(4) One hundred percent (100%) of the safe schools fee collected under IC 33-37-5-18.

(5) One hundred percent (100%) of the automated record keeping fee (IC 33-37-5-21) not distributed under subsection (a).

(e) The clerk of a city or town court shall distribute monthly to the county auditor the following:

(1) Seventy-five percent (75%) of the drug abuse, prosecution, interdiction, and corrections fees collected under IC 33-37-4-1(b)(5).

(2) Seventy-five percent (75%) of the alcohol and drug countermeasures fees collected under IC 33-37-4-1(b)(6), IC 33-37-4-2(b)(4), and IC 33-37-4-3(b)(5).

The county auditor shall deposit fees distributed by a clerk under this subsection into the county drug free community fund established under IC 5-2-11.

(f) The clerk of a city or town court shall distribute monthly to the city or town fiscal officer (as defined in IC 36-1-2-7) one hundred percent (100%) of the following:

(1) The late payment fees collected under IC 33-37-5-22.

(2) The small claims service fee collected under IC 33-37-4-6(a)(1)(B) or IC 33-37-4-6(a)(2).

(3) The small claims garnishee service fee collected under IC 33-37-4-6(a)(1)(C) or IC 33-37-4-6(a)(3).

The city or town fiscal officer (as defined in IC 36-1-2-7) shall deposit fees distributed by a clerk under this subsection in the city or town general fund.

(g) The clerk of a city or town court shall semiannually distribute to the auditor of state for deposit in the state general fund one hundred percent (100%) of the following:

(1) The public defense administration fee collected under IC 33-37-5-21.2.

(2) The DNA sample processing fees collected under



1 IC 33-37-5-26.2.

2 (3) The court administration fees collected under IC 33-37-5-27.

3 (h) The clerk of a city or town court shall semiannually distribute to
4 the auditor of state for deposit in the judicial branch insurance
5 adjustment account established by IC 33-38-5-8.2 one hundred percent
6 (100%) of the judicial insurance adjustment fee collected under
7 IC 33-37-5-25.

8 (i) The clerk of a city or town court shall semiannually distribute to
9 the auditor of state for deposit in the state general fund seventy-five
10 percent (75%) of the judicial salaries fee collected under
11 IC 33-37-5-26. The city or town fiscal officer shall retain twenty-five
12 percent (25%) of the judicial salaries fee collected under
13 IC 33-37-5-26. The funds retained by the city or town shall be
14 prioritized to fund city or town court operations.

15 (j) The clerk of a city or town court shall distribute semiannually to
16 the auditor of state one hundred percent (100%) of the pro bono legal
17 services fees collected before July 1, 2017, under IC 33-37-5-31. The
18 auditor of state shall transfer semiannually the pro bono legal services
19 fees to the Indiana Bar Foundation (or a successor entity) as the entity
20 designated to organize and administer the interest on lawyers trust
21 accounts (IOLTA) program under Rule 1.15 of the Rules of
22 Professional Conduct of the Indiana supreme court. The Indiana Bar
23 Foundation shall:

24 (1) deposit in an appropriate account and otherwise manage the
25 fees the Indiana Bar Foundation receives under this subsection in
26 the same manner the Indiana Bar Foundation deposits and
27 manages the net earnings the Indiana Bar Foundation receives
28 from IOLTA accounts; and

29 (2) use the fees the Indiana Bar Foundation receives under this
30 subsection to assist or establish approved pro bono legal services
31 programs.

32 The handling and expenditure of the pro bono legal services fees
33 received under this section by the Indiana Bar Foundation (or its
34 successor entity) are subject to audit by the state board of accounts. The
35 amounts necessary to make the transfers required by this subsection are
36 appropriated from the state general fund.

37 **(k) The clerk of a city or town court shall distribute monthly to**
38 **the city or town fiscal officer (as defined in IC 36-1-2-7) one**
39 **hundred percent (100%) of the local court security fees collected**
40 **under IC 33-37-5-33 for deposit in the city or town general fund.**
41 **These funds may be used only for the purposes described in**
42 **IC 36-4-14-3.**



SECTION 4. IC 36-2-21 IS ADDED TO THE INDIANA CODE AS
A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
1, 2015]:

Chapter 21. Courthouse Security

Sec. 1. This chapter does not apply to a county containing a consolidated city.

Sec. 2. The legislative body of a county may adopt an ordinance establishing a two dollar (\$2) local court security fee to be collected in each action in which a person is required to pay:

(1) a criminal costs fee under IC 33-37-4-1; or

(2) a civil costs fee under IC 33-37-4-4.

Sec. 3. Proceeds from the local court security fee may be used only to pay for the costs of installing, operating, maintaining, and upgrading security measures, plans, procedures, and systems in and around:

(1) courtrooms; and

(2) buildings that contain courtrooms.

Sec. 4. (a) The legislative body of a county may adopt an ordinance to request that a redevelopment commission that has established an allocation area under IC 36-7-14 that includes any territory of the county shall provide revenue from property tax proceeds allocated to the redevelopment commission under IC 36-7-14.

(b) A redevelopment commission may provide revenue to a county under this section only if the redevelopment commission and the legislative body of the county that established the redevelopment commission adopt substantially similar resolutions agreeing to provide the revenue to the county. Such a resolution must set forth at least the following:

(1) The boundaries of the allocation area from which the annual revenue from allocated property tax proceeds will be provided.

(2) The annual amount of revenue that will be provided.

(3) The first and last year that the revenue will be provided.

(c) Before the legislative body of the county or the redevelopment commission may adopt a resolution under this section to provide revenue to the county, the legislative body of the county and the redevelopment commission must hold a joint public hearing. The proper officers of the county and the redevelopment commission must publish a notice of the public hearing in accordance with IC 5-3-1. The notice must specify that the purpose of the hearing is to consider providing revenue to the county from



property tax proceeds allocated to the redevelopment commission for the purposes described in subsection (d).

(d) Any revenue provided to a county under this section from property tax proceeds allocated to the redevelopment commission must be deposited in the county general fund. These funds may be used only for local court security purposes described in section 3 of this chapter.

SECTION 5. IC 36-4-14 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]:

Chapter 14. Courthouse Security

Sec. 1. This chapter does not apply to a consolidated city.

Sec. 2. The legislative body of a city or town may adopt an ordinance establishing a two dollar (\$2) local court security fee to be collected in each action in which a person is required to pay:

(1) a criminal costs fee under IC 33-37-4-1; or

(2) a civil costs fee under IC 33-37-4-4.

Sec. 3. Proceeds from the local court security fee may be used only to pay for the costs of installing, operating, maintaining, and upgrading security measures, plans, procedures, and systems in and around:

(1) courtrooms; and

(2) buildings that contain courtrooms.

Sec. 4. (a) The legislative body of a city or town may adopt an ordinance to request that a redevelopment commission that has established an allocation area under IC 36-7-14 that includes any territory of the city or town shall provide revenue from property tax proceeds allocated to the redevelopment commission under IC 36-7-14.

(b) A redevelopment commission may provide revenue to a city or town under this section only if the redevelopment commission and the legislative body of the city or town that established the redevelopment commission adopt substantially similar resolutions agreeing to provide the revenue to the city or town. Such a resolution must set forth at least the following:

(1) The boundaries of the allocation area from which the annual revenue from allocated property tax proceeds will be provided.

(2) The annual amount of revenue that will be provided.

(3) The first and last year that the revenue will be provided.

(c) Before the legislative body of the city or town, or the redevelopment commission may adopt a resolution under this



1 section to provide revenue to the city or town, the legislative body
 2 of the city or town and the redevelopment commission must hold
 3 a joint public hearing. The proper officers of the city or town and
 4 the redevelopment commission must publish a notice of the public
 5 hearing in accordance with IC 5-3-1. The notice must specify that
 6 the purpose of the hearing is to consider providing revenue to the
 7 city or town from property tax proceeds allocated to the
 8 redevelopment commission for the purposes described in
 9 subsection (d).

10 (d) Any revenue provided to a county under this section from
 11 property tax proceeds allocated to the redevelopment commission
 12 must be deposited in the city or town general fund. These funds
 13 may be used only for local court security purposes described in
 14 section 3 of this chapter.

15 SECTION 6. IC 36-7-14-12.2, AS AMENDED BY P.L.95-2014,
 16 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 17 JULY 1, 2015]: Sec. 12.2. (a) The redevelopment commission may do
 18 the following:

19 (1) Acquire by purchase, exchange, gift, grant, condemnation, or
 20 lease, or any combination of methods, any personal property or
 21 interest in real property needed for the redevelopment of areas
 22 needing redevelopment that are located within the corporate
 23 boundaries of the unit.

24 (2) Hold, use, sell (by conveyance by deed, land sale contract, or
 25 other instrument), exchange, lease, rent, or otherwise dispose of
 26 property acquired for use in the redevelopment of areas needing
 27 redevelopment on the terms and conditions that the commission
 28 considers best for the unit and its inhabitants.

29 (3) Sell, lease, or grant interests in all or part of the real property
 30 acquired for redevelopment purposes to any other department of
 31 the unit or to any other governmental agency for public ways,
 32 levees, sewerage, parks, playgrounds, schools, and other public
 33 purposes on any terms that may be agreed on.

34 (4) Clear real property acquired for redevelopment purposes.

35 (5) Enter on or into, inspect, investigate, and assess real property
 36 and structures acquired or to be acquired for redevelopment
 37 purposes to determine the existence, source, nature, and extent of
 38 any environmental contamination, including the following:

39 (A) Hazardous substances.

40 (B) Petroleum.

41 (C) Other pollutants.

42 (6) Remediate environmental contamination, including the



1 following, found on any real property or structures acquired for
2 redevelopment purposes:

3 (A) Hazardous substances.

4 (B) Petroleum.

5 (C) Other pollutants.

6 (7) Repair and maintain structures acquired for redevelopment
7 purposes.

8 (8) Remodel, rebuild, enlarge, or make major structural
9 improvements on structures acquired for redevelopment purposes.

10 (9) Survey or examine any land to determine whether it should be
11 included within an area needing redevelopment to be acquired for
12 redevelopment purposes and to determine the value of that land.

13 (10) Appear before any other department or agency of the unit, or
14 before any other governmental agency in respect to any matter
15 affecting:

16 (A) real property acquired or being acquired for
17 redevelopment purposes; or

18 (B) any area needing redevelopment within the jurisdiction of
19 the commissioners.

20 (11) Institute or defend in the name of the unit any civil action.

21 (12) Use any legal or equitable remedy that is necessary or
22 considered proper to protect and enforce the rights of and perform
23 the duties of the department of redevelopment.

24 (13) Appoint an executive director, appraisers, real estate experts,
25 engineers, architects, surveyors, and attorneys.

26 (14) Appoint clerks, guards, laborers, and other employees the
27 commission considers advisable, except that those appointments
28 must be made in accordance with the merit system of the unit if
29 such a system exists.

30 (15) Prescribe the duties and regulate the compensation of
31 employees of the department of redevelopment.

32 (16) Provide a pension and retirement system for employees of
33 the department of redevelopment by using the Indiana public
34 employees' retirement fund or a retirement plan approved by the
35 United States Department of Housing and Urban Development.

36 (17) Discharge and appoint successors to employees of the
37 department of redevelopment subject to subdivision (14).

38 (18) Rent offices for use of the department of redevelopment, or
39 accept the use of offices furnished by the unit.

40 (19) Equip the offices of the department of redevelopment with
41 the necessary furniture, furnishings, equipment, records, and
42 supplies.



(20) Expend, on behalf of the special taxing district, all or any part of the money of the special taxing district.

(21) Contract for the construction of:

(A) local public improvements (as defined in IC 36-7-14.5-6) or structures that are necessary for redevelopment of areas needing redevelopment or economic development within the corporate boundaries of the unit; or

(B) any structure that enhances development or economic development.

(22) Contract for the construction, extension, or improvement of pedestrian skyways.

(23) Accept loans, grants, and other forms of financial assistance from the federal government, the state government, a municipal corporation, a special taxing district, a foundation, or any other source.

(24) Provide financial assistance (including grants and loans) to enable individuals and families to purchase or lease residential units in a multiple unit residential structure within the district. However, financial assistance may be provided only to individuals and families whose income is at or below the unit's median income for individuals and families, respectively.

(25) Provide financial assistance (including grants and loans) to neighborhood development corporations to permit them to:

(A) provide financial assistance for the purposes described in subdivision (24); or

(B) construct, rehabilitate, or repair commercial property within the district.

(26) Require as a condition of financial assistance to the owner of a multiple unit residential structure that any of the units leased by the owner must be leased:

(A) for a period to be determined by the commission, which may not be less than five (5) years;

(B) to families whose income does not exceed eighty percent (80%) of the unit's median income for families; and

(C) at an affordable rate.

(27) This subdivision does not apply to a redevelopment commission in a county for which the total amount of net property taxes allocated to all allocation areas or other tax increment financing areas established by a redevelopment commission, military base reuse authority, military base development authority, or another similar entity in the county in the preceding calendar year exceeded nineteen percent (19%) of the total net property



taxes billed in the county in the preceding calendar year. Subject to prior approval by the fiscal body of the unit that established the redevelopment commission, expend money and provide financial assistance (including grants and loans):

(A) in direct support of:

- (i) an active military base located within the unit; or
- (ii) an entity located in the territory or facilities of a military base or former military base within the unit that is scheduled for closing or is completely or partially inactive or closed, or an entity that is located in any territory or facilities of the United States Department of Defense within the unit that are scheduled for closing or are completely or partially inactive or closed;

including direct support for the promotion of the active military base or entity, the growth of the active military base or entity, and activities at the active military base or entity; and

(B) in support of any other entity that provides services or direct support to an active military base or entity described in clause (A).

The fiscal body of the unit that established the redevelopment commission must separately approve each grant, loan, or other expenditure for financial assistance under this subdivision. The terms of any loan that is made under this subdivision may be changed only if the change is approved by the fiscal body of the unit that established the redevelopment commission. As used in this subdivision, "active military base" has the meaning set forth in IC 36-1-4-20.

(28) Provide revenue to:

(A) a county as specified in a resolution adopted under IC 36-2-21-4; or

(B) a city or town as specified in a resolution adopted under IC 36-4-14-4;

from property tax proceeds allocated under section 39 of this chapter.

(b) Conditions imposed by the commission under subsection (a)(26) remain in force throughout the period determined under subsection (a)(26)(A), even if the owner sells, leases, or conveys the property. The subsequent owner or lessee is bound by the conditions for the remainder of the period.

(c) As used in this section, "pedestrian skyway" means a pedestrian walkway within or outside of the public right-of-way and through and above public or private property and buildings, including all structural



1 supports required to connect skyways to buildings or buildings under
 2 construction. Pedestrian skyways constructed, extended, or improved
 3 over or through public or private property constitute public property
 4 and public improvements, constitute a public use and purpose, and do
 5 not require vacation of any public way or other property.

6 (d) All powers that may be exercised under this chapter by the
 7 redevelopment commission may also be exercised by the
 8 redevelopment commission in carrying out its duties and purposes
 9 under IC 36-7-14.5. However, if a power pertains to issuing bonds or
 10 incurring an obligation, the exercise of the power must first be
 11 specifically approved by the fiscal or legislative body of the unit,
 12 whichever applies.

13 (e) A commission may not exercise the power of eminent domain.

14 SECTION 7. IC 36-7-14-39, AS AMENDED BY P.L.95-2014,
 15 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 16 JULY 1, 2015]: Sec. 39. (a) As used in this section:

17 "Allocation area" means that part of a redevelopment project area
 18 to which an allocation provision of a declaratory resolution adopted
 19 under section 15 of this chapter refers for purposes of distribution and
 20 allocation of property taxes.

21 "Base assessed value" means the following:

22 (1) If an allocation provision is adopted after June 30, 1995, in a
 23 declaratory resolution or an amendment to a declaratory
 24 resolution establishing an economic development area:

25 (A) the net assessed value of all the property as finally
 26 determined for the assessment date immediately preceding the
 27 effective date of the allocation provision of the declaratory
 28 resolution, as adjusted under subsection (h); plus

29 (B) to the extent that it is not included in clause (A), the net
 30 assessed value of property that is assessed as residential
 31 property under the rules of the department of local government
 32 finance, as finally determined for any assessment date after the
 33 effective date of the allocation provision.

34 (2) If an allocation provision is adopted after June 30, 1997, in a
 35 declaratory resolution or an amendment to a declaratory
 36 resolution establishing a redevelopment project area:

37 (A) the net assessed value of all the property as finally
 38 determined for the assessment date immediately preceding the
 39 effective date of the allocation provision of the declaratory
 40 resolution, as adjusted under subsection (h); plus

41 (B) to the extent that it is not included in clause (A), the net
 42 assessed value of property that is assessed as residential



property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

(3) If:

(A) an allocation provision adopted before June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing a redevelopment project area expires after June 30, 1997; and

(B) after June 30, 1997, a new allocation provision is included in an amendment to the declaratory resolution;

the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision adopted after June 30, 1997, as adjusted under subsection (h).

(4) Except as provided in subdivision (5), for all other allocation areas, the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h).

(5) If an allocation area established in an economic development area before July 1, 1995, is expanded after June 30, 1995, the definition in subdivision (1) applies to the expanded part of the area added after June 30, 1995.

(6) If an allocation area established in a redevelopment project area before July 1, 1997, is expanded after June 30, 1997, the definition in subdivision (2) applies to the expanded part of the area added after June 30, 1997.

Except as provided in section 39.3 of this chapter, "property taxes" means taxes imposed under IC 6-1.1 on real property. However, upon approval by a resolution of the redevelopment commission adopted before June 1, 1987, "property taxes" also includes taxes imposed under IC 6-1.1 on depreciable personal property. If a redevelopment commission adopted before June 1, 1987, a resolution to include within the definition of property taxes, taxes imposed under IC 6-1.1 on depreciable personal property that has a useful life in excess of eight (8) years, the commission may by resolution determine the percentage of taxes imposed under IC 6-1.1 on all depreciable personal property that will be included within the definition of property taxes. However, the percentage included must not exceed twenty-five percent (25%) of the taxes imposed under IC 6-1.1 on all depreciable personal property.

(b) A declaratory resolution adopted under section 15 of this chapter on or before the allocation deadline determined under subsection (i)



1 may include a provision with respect to the allocation and distribution
 2 of property taxes for the purposes and in the manner provided in this
 3 section. A declaratory resolution previously adopted may include an
 4 allocation provision by the amendment of that declaratory resolution on
 5 or before the allocation deadline determined under subsection (i) in
 6 accordance with the procedures required for its original adoption. A
 7 declaratory resolution or amendment that establishes an allocation
 8 provision must include a specific finding of fact, supported by
 9 evidence, that the adoption of the allocation provision will result in
 10 new property taxes in the area that would not have been generated but
 11 for the adoption of the allocation provision. For an allocation area
 12 established before July 1, 1995, the expiration date of any allocation
 13 provisions for the allocation area is June 30, 2025, or the last date of
 14 any obligations that are outstanding on July 1, 2015, whichever is later.
 15 A declaratory resolution or an amendment that establishes an allocation
 16 provision after June 30, 1995, must specify an expiration date for the
 17 allocation provision. For an allocation area established before July 1,
 18 2008, the expiration date may not be more than thirty (30) years after
 19 the date on which the allocation provision is established. For an
 20 allocation area established after June 30, 2008, the expiration date may
 21 not be more than twenty-five (25) years after the date on which the first
 22 obligation was incurred to pay principal and interest on bonds or lease
 23 rentals on leases payable from tax increment revenues. However, with
 24 respect to bonds or other obligations that were issued before July 1,
 25 2008, if any of the bonds or other obligations that were scheduled when
 26 issued to mature before the specified expiration date and that are
 27 payable only from allocated tax proceeds with respect to the allocation
 28 area remain outstanding as of the expiration date, the allocation
 29 provision does not expire until all of the bonds or other obligations are
 30 no longer outstanding. The allocation provision may apply to all or part
 31 of the redevelopment project area. The allocation provision must
 32 require that any property taxes subsequently levied by or for the benefit
 33 of any public body entitled to a distribution of property taxes on taxable
 34 property in the allocation area be allocated and distributed as follows:
 35 (1) Except as otherwise provided in this section, the proceeds of
 36 the taxes attributable to the lesser of:
 37 (A) the assessed value of the property for the assessment date
 38 with respect to which the allocation and distribution is made;
 39 or
 40 (B) the base assessed value;
 41 shall be allocated to and, when collected, paid into the funds of
 42 the respective taxing units.



(2) The excess of the proceeds of the property taxes imposed for the assessment date with respect to which the allocation and distribution is made that are attributable to taxes imposed after being approved by the voters in a referendum or local public question conducted after April 30, 2010, not otherwise included in subdivision (1) shall be allocated to and, when collected, paid into the funds of the taxing unit for which the referendum or local public question was conducted.

(3) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivisions (1) and (2) shall be allocated to the redevelopment district and, when collected, paid into an allocation fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:

(A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds which are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.

(C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 27 of this chapter.

(D) Pay the principal of and interest on bonds issued by the unit to pay for local public improvements that are physically located in or physically connected to that allocation area.

(E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 25.2 of this chapter.

(G) Reimburse the unit for expenditures made by it for local public improvements (which include buildings, parking facilities, and other items described in section 25.1(a) of this chapter) that are physically located in or physically connected to that allocation area.

(H) Reimburse the unit for rentals paid by it for a building or parking facility that is physically located in or physically connected to that allocation area under any lease entered into under IC 36-1-10.



(I) For property taxes first due and payable before January 1, 2009, pay all or a part of a property tax replacement credit to taxpayers in an allocation area as determined by the redevelopment commission. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) (before their repeal) that is attributable to the taxing district.

STEP TWO: Divide:

(i) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2 (before its repeal)) for that year as determined under IC 6-1.1-21-4 (before its repeal) that is attributable to the taxing district; by

(ii) the STEP ONE sum.

STEP THREE: Multiply:

(i) the STEP TWO quotient; times

(ii) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2 (before its repeal)) levied in the taxing district that have been allocated during that year to an allocation fund under this section.

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under section 39.5 of this chapter (before its repeal) in the same year.

(J) Pay expenses incurred by the redevelopment commission for local public improvements that are in the allocation area or serving the allocation area. Public improvements include buildings, parking facilities, and other items described in section 25.1(a) of this chapter.

(K) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.



However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.

(L) Pay the costs of carrying out an eligible efficiency project (as defined in IC 36-9-41-1.5) within the unit that established the redevelopment commission. However, property tax proceeds may be used under this clause to pay the costs of carrying out an eligible efficiency project only if those property tax proceeds exceed the amount necessary to do the following:

(i) Make, when due, any payments required under clauses (A) through (K), including any payments of principal and interest on bonds and other obligations payable under this subdivision, any payments of premiums under this subdivision on the redemption before maturity of bonds, and any payments on leases payable under this subdivision.

(ii) Make any reimbursements required under this subdivision.

(iii) Pay any expenses required under this subdivision.

(iv) Establish, augment, or restore any debt service reserve under this subdivision.

(M) Expend money and provide financial assistance as authorized in section 12.2(a)(27) of this chapter.

(N) Provide revenue for local court security to:

(i) a county as specified in a resolution adopted under IC 36-2-21-4; or

(ii) a city or town as specified in a resolution adopted under IC 36-4-14-4.

The allocation fund may not be used for operating expenses of the commission.

(4) Except as provided in subsection (g), before July 15 of each year, the commission shall do the following:

(A) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the allocation area, will exceed the amount of assessed value needed to produce the property taxes necessary to make, when due, principal and



1 interest payments on bonds described in subdivision (3), plus
 2 the amount necessary for other purposes described in
 3 subdivision (3).

4 (B) Provide a written notice to the county auditor, the fiscal
 5 body of the county or municipality that established the
 6 department of redevelopment, and the officers who are
 7 authorized to fix budgets, tax rates, and tax levies under
 8 IC 6-1.1-17-5 for each of the other taxing units that is wholly
 9 or partly located within the allocation area. The notice must:

10 (i) state the amount, if any, of excess assessed value that the
 11 commission has determined may be allocated to the
 12 respective taxing units in the manner prescribed in
 13 subdivision (1); or

14 (ii) state that the commission has determined that there is no
 15 excess assessed value that may be allocated to the respective
 16 taxing units in the manner prescribed in subdivision (1).

17 The county auditor shall allocate to the respective taxing units
 18 the amount, if any, of excess assessed value determined by the
 19 commission. The commission may not authorize an allocation
 20 of assessed value to the respective taxing units under this
 21 subdivision if to do so would endanger the interests of the
 22 holders of bonds described in subdivision (3) or lessors under
 23 section 25.3 of this chapter.

24 (C) If:

25 (i) the amount of excess assessed value determined by the
 26 commission is expected to generate more than two hundred
 27 percent (200%) of the amount of allocated tax proceeds
 28 necessary to make, when due, principal and interest
 29 payments on bonds described in subdivision (3); plus

30 (ii) the amount necessary for other purposes described in
 31 subdivision (3);

32 the commission shall submit to the legislative body of the unit
 33 its determination of the excess assessed value that the
 34 commission proposes to allocate to the respective taxing units
 35 in the manner prescribed in subdivision (1). The legislative
 36 body of the unit may approve the commission's determination
 37 or modify the amount of the excess assessed value that will be
 38 allocated to the respective taxing units in the manner
 39 prescribed in subdivision (1).

40 (c) For the purpose of allocating taxes levied by or for any taxing
 41 unit or units, the assessed value of taxable property in a territory in the
 42 allocation area that is annexed by any taxing unit after the effective



1 date of the allocation provision of the declaratory resolution is the
2 lesser of:

3 (1) the assessed value of the property for the assessment date with
4 respect to which the allocation and distribution is made; or

5 (2) the base assessed value.

6 (d) Property tax proceeds allocable to the redevelopment district
7 under subsection (b)(3) may, subject to subsection (b)(4), be
8 irrevocably pledged by the redevelopment district for payment as set
9 forth in subsection (b)(3).

10 (e) Notwithstanding any other law, each assessor shall, upon
11 petition of the redevelopment commission, reassess the taxable
12 property situated upon or in, or added to, the allocation area, effective
13 on the next assessment date after the petition.

14 (f) Notwithstanding any other law, the assessed value of all taxable
15 property in the allocation area, for purposes of tax limitation, property
16 tax replacement, and formulation of the budget, tax rate, and tax levy
17 for each political subdivision in which the property is located is the
18 lesser of:

19 (1) the assessed value of the property as valued without regard to
20 this section; or

21 (2) the base assessed value.

22 (g) If any part of the allocation area is located in an enterprise zone
23 created under IC 5-28-15, the unit that designated the allocation area
24 shall create funds as specified in this subsection. A unit that has
25 obligations, bonds, or leases payable from allocated tax proceeds under
26 subsection (b)(3) shall establish an allocation fund for the purposes
27 specified in subsection (b)(3) and a special zone fund. Such a unit
28 shall, until the end of the enterprise zone phase out period, deposit each
29 year in the special zone fund any amount in the allocation fund derived
30 from property tax proceeds in excess of those described in subsection
31 (b)(1) and (b)(2) from property located in the enterprise zone that
32 exceeds the amount sufficient for the purposes specified in subsection
33 (b)(3) for the year. The amount sufficient for purposes specified in
34 subsection (b)(3) for the year shall be determined based on the pro rata
35 portion of such current property tax proceeds from the part of the
36 enterprise zone that is within the allocation area as compared to all
37 such current property tax proceeds derived from the allocation area. A
38 unit that has no obligations, bonds, or leases payable from allocated tax
39 proceeds under subsection (b)(3) shall establish a special zone fund
40 and deposit all the property tax proceeds in excess of those described
41 in subsection (b)(1) and (b)(2) in the fund derived from property tax
42 proceeds in excess of those described in subsection (b)(1) and (b)(2)



from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund (based on the recommendations of the urban enterprise association) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or other purposes specified in subsection (b)(3), except that where reference is made in subsection (b)(3) to allocation area it shall refer for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone. Those programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment of real property in an area under IC 6-1.1-4-4 and after each reassessment in an area under a reassessment plan prepared under IC 6-1.1-4-4.2, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the reassessment of the real property in the area on the property tax proceeds allocated to the redevelopment district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the redevelopment district under this section. However, the adjustments under this subsection:

(1) may not include the effect of phasing in assessed value due to property tax abatements under IC 6-1.1-12.1;

(2) may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(3) than would otherwise have been received if the general reassessment, the reassessment under the reassessment plan, or the annual adjustment had not occurred; and

(3) may decrease base assessed value only to the extent that assessed values in the allocation area have been decreased due to annual adjustments or the reassessment under the reassessment plan.

Assessed value increases attributable to the application of an abatement schedule under IC 6-1.1-12.1 may not be included in the base assessed value of an allocation area. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.



1 (i) The allocation deadline referred to in subsection (b) is
2 determined in the following manner:

3 (1) The initial allocation deadline is December 31, 2011.

4 (2) Subject to subdivision (3), the initial allocation deadline and
5 subsequent allocation deadlines are automatically extended in
6 increments of five (5) years, so that allocation deadlines
7 subsequent to the initial allocation deadline fall on December 31,
8 2016, and December 31 of each fifth year thereafter.

9 (3) At least one (1) year before the date of an allocation deadline
10 determined under subdivision (2), the general assembly may enact
11 a law that:

12 (A) terminates the automatic extension of allocation deadlines
13 under subdivision (2); and

14 (B) specifically designates a particular date as the final
15 allocation deadline.



COMMITTEE REPORT

Madam President: The Senate Committee on Judiciary, to which was referred Senate Bill No. 422, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 33-23-18 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]:

Chapter 18. Courthouse Security Fund

Sec. 1. As used in this chapter, "fund" refers to the courthouse security fund established under section 2 of this chapter.

Sec. 2. (a) The courthouse security fund is established.

(b) The fund may be used only to pay for the costs of installing, operating, maintaining, and upgrading security measures, plans, procedures, and systems in and around:

- (1) courtrooms; and**
- (2) buildings that contain courtrooms.**

(c) The fund shall be administered by the Indiana judicial center.

(d) The fund consists of court security fees transferred to the fund by the auditor of state under:

- (1) IC 33-37-7-2(o); and**
- (2) IC 33-37-7-8(k).**

(e) The expenses of administering the fund shall be paid from money in the fund.

(f) Money in the fund is continually appropriated to carry out the purposes of the fund.

Sec. 3. (a) The Indiana judicial center may award a grant from the fund to a county, city, or town to pay for the costs of installing, operating, maintaining, and upgrading security measures, plans, procedures, and systems in and around:

- (1) courtrooms; and**
- (2) buildings that contain courtrooms.**

(b) To receive a grant under this section, one (1) or more courts in a county must submit an application to the Indiana judicial center:

- (1) on a form; and**
- (2) in the manner;**

prescribed by the Indiana judicial center. The application shall be completed in collaboration with the county sheriff and the county



fiscal body (for a county court) or the city or town fiscal body (for a city or town court).

(c) The Indiana judicial center shall determine the amount of a grant awarded under this chapter, giving due consideration to:

- (1) the security needs of the city, town, or county;
- (2) the security needs of other cities, towns, and counties; and
- (3) any existing or proposed court security plan (as described in supreme court administrative rule 19).

(d) Any part of an application or grant submitted or awarded under this chapter that describes existing or proposed security measures is confidential."

Page 1, line 3, after "33." insert "(a)".

Page 1, between lines 7 and 8, begin a new paragraph and insert: "(b) This section expires July 1, 2019."

Page 6, line 6, delete "each county. The" and insert "the courthouse security fund established by IC 33-23-18-2. This subsection expires July 1, 2019."

Page 6, delete lines 7 through 10.

Page 8, line 42, delete "each county." and insert "the courthouse security fund established by IC 33-23-18-2. This subsection expires July 1, 2019."

Page 9, delete lines 1 through 24.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 422 as introduced.)

STEELE, Chairperson

Committee Vote: Yeas 7, Nays 2.

SENATE MOTION

Madam President: I move that Senate Bill 422 be amended to read as follows:

Page 2, delete lines 5 through 6.

(Reference is to SB 422 as printed January 30, 2015.)

GROOMS



SENATE MOTION

Madam President: I move that Engrossed SB 422, which is eligible for third reading, be returned to second reading for purposes of amendment.

GROOMS

SENATE MOTION

Madam President: I move that Senate Bill 422 be amended to read as follows:

Page 1, delete lines 1 through 16.

Page 2, delete lines 1 through 28.

Page 2, line 31, after "(a)" insert **"This section applies only if the legislative body of a county, city, or town has established a local court security fee.**

(b)."

Page 2, delete line 36.

Page 7, line 6, after "to the" insert **"county"**.

Page 7, line 7, delete "of state".

Page 7, line 7, after "the" insert **"local"**.

Page 7, line 8, delete "IC 33-37-5-33. The auditor of state shall" and insert **"IC 33-37-5-33 for deposit in the county general fund. These funds may be used only for the purposes described in IC 36-2-21-3."**

Page 7, delete lines 9 through 11.

Page 9, line 41, delete "auditor of state" and insert **"city or town fiscal officer (as defined in IC 36-1-2-7)"**.

Page 9, line 41, after "of the" insert **"local"**.

Page 9, line 42, delete "IC 33-37-5-33. The auditor of state" and insert **"IC 33-37-5-33 for deposit in the city or town general fund. These funds may be used only for the purposes described in IC 36-4-14-3."**

Page 10, delete lines 1 through 3, begin a new paragraph and insert:
"SECTION 4. IC 36-2-21 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]:

Chapter 21. Courthouse Security

Sec. 1. This chapter does not apply to a county containing a consolidated city.

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Sec. 2. The legislative body of a county may adopt an ordinance establishing a two dollar (\$2) local court security fee to be collected in each action in which a person is required to pay:

- (1) a criminal costs fee under IC 33-37-4-1; or**
- (2) a civil costs fee under IC 33-37-4-4.**

Sec. 3. Proceeds from the local court security fee may be used only to pay for the costs of installing, operating, maintaining, and upgrading security measures, plans, procedures, and systems in and around:

- (1) courtrooms; and**
- (2) buildings that contain courtrooms.**

Sec. 4. (a) The legislative body of a county may adopt an ordinance to request that a redevelopment commission that has established an allocation area under IC 36-7-14 that includes any territory of the county shall provide revenue from property tax proceeds allocated to the redevelopment commission under IC 36-7-14.

(b) A redevelopment commission may provide revenue to a county under this section only if the redevelopment commission and the legislative body of the county that established the redevelopment commission adopt substantially similar resolutions agreeing to provide the revenue to the county. Such a resolution must set forth at least the following:

- (1) The boundaries of the allocation area from which the annual revenue from allocated property tax proceeds will be provided.**
- (2) The annual amount of revenue that will be provided.**
- (3) The first and last year that the revenue will be provided.**

(c) Before the legislative body of the county or the redevelopment commission may adopt a resolution under this section to provide revenue to the county, the legislative body of the county and the redevelopment commission must hold a joint public hearing. The proper officers of the county and the redevelopment commission must publish a notice of the public hearing in accordance with IC 5-3-1. The notice must specify that the purpose of the hearing is to consider providing revenue to the county from property tax proceeds allocated to the redevelopment commission for the purposes described in subsection (d).

(d) Any revenue provided to a county under this section from property tax proceeds allocated to the redevelopment commission must be deposited in the county general fund. These funds may be used only for local court security purposes described in section 3



of this chapter.

SECTION 5. IC 36-4-14 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]:

Chapter 14. Courthouse Security

Sec. 1. This chapter does not apply to a consolidated city.

Sec. 2. The legislative body of a city or town may adopt an ordinance establishing a two dollar (\$2) local court security fee to be collected in each action in which a person is required to pay:

- (1) a criminal costs fee under IC 33-37-4-1; or
- (2) a civil costs fee under IC 33-37-4-4.

Sec. 3. Proceeds from the local court security fee may be used only to pay for the costs of installing, operating, maintaining, and upgrading security measures, plans, procedures, and systems in and around:

- (1) courtrooms; and
- (2) buildings that contain courtrooms.

Sec. 4. (a) The legislative body of a city or town may adopt an ordinance to request that a redevelopment commission that has established an allocation area under IC 36-7-14 that includes any territory of the city or town shall provide revenue from property tax proceeds allocated to the redevelopment commission under IC 36-7-14.

(b) A redevelopment commission may provide revenue to a city or town under this section only if the redevelopment commission and the legislative body of the city or town that established the redevelopment commission adopt substantially similar resolutions agreeing to provide the revenue to the city or town. Such a resolution must set forth at least the following:

- (1) The boundaries of the allocation area from which the annual revenue from allocated property tax proceeds will be provided.
- (2) The annual amount of revenue that will be provided.
- (3) The first and last year that the revenue will be provided.

(c) Before the legislative body of the city or town, or the redevelopment commission may adopt a resolution under this section to provide revenue to the city or town, the legislative body of the city or town and the redevelopment commission must hold a joint public hearing. The proper officers of the city or town and the redevelopment commission must publish a notice of the public hearing in accordance with IC 5-3-1. The notice must specify that the purpose of the hearing is to consider providing revenue to the



city or town from property tax proceeds allocated to the redevelopment commission for the purposes described in subsection (d).

(d) Any revenue provided to a county under this section from property tax proceeds allocated to the redevelopment commission must be deposited in the city or town general fund. These funds may be used only for local court security purposes described in section 3 of this chapter.

SECTION 6. IC 36-7-14-12.2, AS AMENDED BY P.L.95-2014, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 12.2. (a) The redevelopment commission may do the following:

- (1) Acquire by purchase, exchange, gift, grant, condemnation, or lease, or any combination of methods, any personal property or interest in real property needed for the redevelopment of areas needing redevelopment that are located within the corporate boundaries of the unit.
- (2) Hold, use, sell (by conveyance by deed, land sale contract, or other instrument), exchange, lease, rent, or otherwise dispose of property acquired for use in the redevelopment of areas needing redevelopment on the terms and conditions that the commission considers best for the unit and its inhabitants.
- (3) Sell, lease, or grant interests in all or part of the real property acquired for redevelopment purposes to any other department of the unit or to any other governmental agency for public ways, levees, sewerage, parks, playgrounds, schools, and other public purposes on any terms that may be agreed on.
- (4) Clear real property acquired for redevelopment purposes.
- (5) Enter on or into, inspect, investigate, and assess real property and structures acquired or to be acquired for redevelopment purposes to determine the existence, source, nature, and extent of any environmental contamination, including the following:
 - (A) Hazardous substances.
 - (B) Petroleum.
 - (C) Other pollutants.
- (6) Remediate environmental contamination, including the following, found on any real property or structures acquired for redevelopment purposes:
 - (A) Hazardous substances.
 - (B) Petroleum.
 - (C) Other pollutants.
- (7) Repair and maintain structures acquired for redevelopment



purposes.

(8) Remodel, rebuild, enlarge, or make major structural improvements on structures acquired for redevelopment purposes.

(9) Survey or examine any land to determine whether it should be included within an area needing redevelopment to be acquired for redevelopment purposes and to determine the value of that land.

(10) Appear before any other department or agency of the unit, or before any other governmental agency in respect to any matter affecting:

(A) real property acquired or being acquired for redevelopment purposes; or

(B) any area needing redevelopment within the jurisdiction of the commissioners.

(11) Institute or defend in the name of the unit any civil action.

(12) Use any legal or equitable remedy that is necessary or considered proper to protect and enforce the rights of and perform the duties of the department of redevelopment.

(13) Appoint an executive director, appraisers, real estate experts, engineers, architects, surveyors, and attorneys.

(14) Appoint clerks, guards, laborers, and other employees the commission considers advisable, except that those appointments must be made in accordance with the merit system of the unit if such a system exists.

(15) Prescribe the duties and regulate the compensation of employees of the department of redevelopment.

(16) Provide a pension and retirement system for employees of the department of redevelopment by using the Indiana public employees' retirement fund or a retirement plan approved by the United States Department of Housing and Urban Development.

(17) Discharge and appoint successors to employees of the department of redevelopment subject to subdivision (14).

(18) Rent offices for use of the department of redevelopment, or accept the use of offices furnished by the unit.

(19) Equip the offices of the department of redevelopment with the necessary furniture, furnishings, equipment, records, and supplies.

(20) Expend, on behalf of the special taxing district, all or any part of the money of the special taxing district.

(21) Contract for the construction of:

(A) local public improvements (as defined in IC 36-7-14.5-6) or structures that are necessary for redevelopment of areas needing redevelopment or economic development within the



corporate boundaries of the unit; or

(B) any structure that enhances development or economic development.

(22) Contract for the construction, extension, or improvement of pedestrian skyways.

(23) Accept loans, grants, and other forms of financial assistance from the federal government, the state government, a municipal corporation, a special taxing district, a foundation, or any other source.

(24) Provide financial assistance (including grants and loans) to enable individuals and families to purchase or lease residential units in a multiple unit residential structure within the district. However, financial assistance may be provided only to individuals and families whose income is at or below the unit's median income for individuals and families, respectively.

(25) Provide financial assistance (including grants and loans) to neighborhood development corporations to permit them to:

(A) provide financial assistance for the purposes described in subdivision (24); or

(B) construct, rehabilitate, or repair commercial property within the district.

(26) Require as a condition of financial assistance to the owner of a multiple unit residential structure that any of the units leased by the owner must be leased:

(A) for a period to be determined by the commission, which may not be less than five (5) years;

(B) to families whose income does not exceed eighty percent (80%) of the unit's median income for families; and

(C) at an affordable rate.

(27) This subdivision does not apply to a redevelopment commission in a county for which the total amount of net property taxes allocated to all allocation areas or other tax increment financing areas established by a redevelopment commission, military base reuse authority, military base development authority, or another similar entity in the county in the preceding calendar year exceeded nineteen percent (19%) of the total net property taxes billed in the county in the preceding calendar year. Subject to prior approval by the fiscal body of the unit that established the redevelopment commission, expend money and provide financial assistance (including grants and loans):

(A) in direct support of:

(i) an active military base located within the unit; or



(ii) an entity located in the territory or facilities of a military base or former military base within the unit that is scheduled for closing or is completely or partially inactive or closed, or an entity that is located in any territory or facilities of the United States Department of Defense within the unit that are scheduled for closing or are completely or partially inactive or closed;

including direct support for the promotion of the active military base or entity, the growth of the active military base or entity, and activities at the active military base or entity; and
(B) in support of any other entity that provides services or direct support to an active military base or entity described in clause (A).

The fiscal body of the unit that established the redevelopment commission must separately approve each grant, loan, or other expenditure for financial assistance under this subdivision. The terms of any loan that is made under this subdivision may be changed only if the change is approved by the fiscal body of the unit that established the redevelopment commission. As used in this subdivision, "active military base" has the meaning set forth in IC 36-1-4-20.

(28) Provide revenue to:

(A) a county as specified in a resolution adopted under IC 36-2-21-4; or

(B) a city or town as specified in a resolution adopted under IC 36-4-14-4;

from property tax proceeds allocated under section 39 of this chapter.

(b) Conditions imposed by the commission under subsection (a)(26) remain in force throughout the period determined under subsection (a)(26)(A), even if the owner sells, leases, or conveys the property. The subsequent owner or lessee is bound by the conditions for the remainder of the period.

(c) As used in this section, "pedestrian skyway" means a pedestrian walkway within or outside of the public right-of-way and through and above public or private property and buildings, including all structural supports required to connect skyways to buildings or buildings under construction. Pedestrian skyways constructed, extended, or improved over or through public or private property constitute public property and public improvements, constitute a public use and purpose, and do not require vacation of any public way or other property.

(d) All powers that may be exercised under this chapter by the



redevelopment commission may also be exercised by the redevelopment commission in carrying out its duties and purposes under IC 36-7-14.5. However, if a power pertains to issuing bonds or incurring an obligation, the exercise of the power must first be specifically approved by the fiscal or legislative body of the unit, whichever applies.

(e) A commission may not exercise the power of eminent domain.

SECTION 7. IC 36-7-14-39, AS AMENDED BY P.L.95-2014, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 39. (a) As used in this section:

"Allocation area" means that part of a redevelopment project area to which an allocation provision of a declaratory resolution adopted under section 15 of this chapter refers for purposes of distribution and allocation of property taxes.

"Base assessed value" means the following:

(1) If an allocation provision is adopted after June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing an economic development area:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

(2) If an allocation provision is adopted after June 30, 1997, in a declaratory resolution or an amendment to a declaratory resolution establishing a redevelopment project area:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

(3) If:

(A) an allocation provision adopted before June 30, 1995, in a declaratory resolution or an amendment to a declaratory



resolution establishing a redevelopment project area expires after June 30, 1997; and

(B) after June 30, 1997, a new allocation provision is included in an amendment to the declaratory resolution;

the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision adopted after June 30, 1997, as adjusted under subsection (h).

(4) Except as provided in subdivision (5), for all other allocation areas, the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h).

(5) If an allocation area established in an economic development area before July 1, 1995, is expanded after June 30, 1995, the definition in subdivision (1) applies to the expanded part of the area added after June 30, 1995.

(6) If an allocation area established in a redevelopment project area before July 1, 1997, is expanded after June 30, 1997, the definition in subdivision (2) applies to the expanded part of the area added after June 30, 1997.

Except as provided in section 39.3 of this chapter, "property taxes" means taxes imposed under IC 6-1.1 on real property. However, upon approval by a resolution of the redevelopment commission adopted before June 1, 1987, "property taxes" also includes taxes imposed under IC 6-1.1 on depreciable personal property. If a redevelopment commission adopted before June 1, 1987, a resolution to include within the definition of property taxes, taxes imposed under IC 6-1.1 on depreciable personal property that has a useful life in excess of eight (8) years, the commission may by resolution determine the percentage of taxes imposed under IC 6-1.1 on all depreciable personal property that will be included within the definition of property taxes. However, the percentage included must not exceed twenty-five percent (25%) of the taxes imposed under IC 6-1.1 on all depreciable personal property.

(b) A declaratory resolution adopted under section 15 of this chapter on or before the allocation deadline determined under subsection (i) may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A declaratory resolution previously adopted may include an allocation provision by the amendment of that declaratory resolution on or before the allocation deadline determined under subsection (i) in accordance with the procedures required for its original adoption. A



declaratory resolution or amendment that establishes an allocation provision must include a specific finding of fact, supported by evidence, that the adoption of the allocation provision will result in new property taxes in the area that would not have been generated but for the adoption of the allocation provision. For an allocation area established before July 1, 1995, the expiration date of any allocation provisions for the allocation area is June 30, 2025, or the last date of any obligations that are outstanding on July 1, 2015, whichever is later. A declaratory resolution or an amendment that establishes an allocation provision after June 30, 1995, must specify an expiration date for the allocation provision. For an allocation area established before July 1, 2008, the expiration date may not be more than thirty (30) years after the date on which the allocation provision is established. For an allocation area established after June 30, 2008, the expiration date may not be more than twenty-five (25) years after the date on which the first obligation was incurred to pay principal and interest on bonds or lease rentals on leases payable from tax increment revenues. However, with respect to bonds or other obligations that were issued before July 1, 2008, if any of the bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the redevelopment project area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made;

or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) The excess of the proceeds of the property taxes imposed for the assessment date with respect to which the allocation and distribution is made that are attributable to taxes imposed after being approved by the voters in a referendum or local public question conducted after April 30, 2010, not otherwise included in subdivision (1) shall be allocated to and, when collected, paid



into the funds of the taxing unit for which the referendum or local public question was conducted.

(3) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivisions (1) and (2) shall be allocated to the redevelopment district and, when collected, paid into an allocation fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:

(A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds which are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.

(C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 27 of this chapter.

(D) Pay the principal of and interest on bonds issued by the unit to pay for local public improvements that are physically located in or physically connected to that allocation area.

(E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 25.2 of this chapter.

(G) Reimburse the unit for expenditures made by it for local public improvements (which include buildings, parking facilities, and other items described in section 25.1(a) of this chapter) that are physically located in or physically connected to that allocation area.

(H) Reimburse the unit for rentals paid by it for a building or parking facility that is physically located in or physically connected to that allocation area under any lease entered into under IC 36-1-10.

(I) For property taxes first due and payable before January 1, 2009, pay all or a part of a property tax replacement credit to taxpayers in an allocation area as determined by the redevelopment commission. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or



part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) (before their repeal) that is attributable to the taxing district.

STEP TWO: Divide:

- (i) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2 (before its repeal)) for that year as determined under IC 6-1.1-21-4 (before its repeal) that is attributable to the taxing district; by
- (ii) the STEP ONE sum.

STEP THREE: Multiply:

- (i) the STEP TWO quotient; times
- (ii) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2 (before its repeal)) levied in the taxing district that have been allocated during that year to an allocation fund under this section.

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under section 39.5 of this chapter (before its repeal) in the same year.

(J) Pay expenses incurred by the redevelopment commission for local public improvements that are in the allocation area or serving the allocation area. Public improvements include buildings, parking facilities, and other items described in section 25.1(a) of this chapter.

(K) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

- (i) in the allocation area; and
- (ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the



basis for the increment financing are made.

(L) Pay the costs of carrying out an eligible efficiency project (as defined in IC 36-9-41-1.5) within the unit that established the redevelopment commission. However, property tax proceeds may be used under this clause to pay the costs of carrying out an eligible efficiency project only if those property tax proceeds exceed the amount necessary to do the following:

- (i) Make, when due, any payments required under clauses (A) through (K), including any payments of principal and interest on bonds and other obligations payable under this subdivision, any payments of premiums under this subdivision on the redemption before maturity of bonds, and any payments on leases payable under this subdivision.
- (ii) Make any reimbursements required under this subdivision.
- (iii) Pay any expenses required under this subdivision.
- (iv) Establish, augment, or restore any debt service reserve under this subdivision.

(M) Expend money and provide financial assistance as authorized in section 12.2(a)(27) of this chapter.

(N) Provide revenue for local court security to:

- (i) a county as specified in a resolution adopted under IC 36-2-21-4; or**
- (ii) a city or town as specified in a resolution adopted under IC 36-4-14-4.**

The allocation fund may not be used for operating expenses of the commission.

(4) Except as provided in subsection (g), before July 15 of each year, the commission shall do the following:

- (A) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the allocation area, will exceed the amount of assessed value needed to produce the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (3), plus the amount necessary for other purposes described in subdivision (3).
- (B) Provide a written notice to the county auditor, the fiscal body of the county or municipality that established the department of redevelopment, and the officers who are



authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area. The notice must:

- (i) state the amount, if any, of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1); or
- (ii) state that the commission has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission. The commission may not authorize an allocation of assessed value to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (3) or lessors under section 25.3 of this chapter.

(C) If:

- (i) the amount of excess assessed value determined by the commission is expected to generate more than two hundred percent (200%) of the amount of allocated tax proceeds necessary to make, when due, principal and interest payments on bonds described in subdivision (3); plus
- (ii) the amount necessary for other purposes described in subdivision (3);

the commission shall submit to the legislative body of the unit its determination of the excess assessed value that the commission proposes to allocate to the respective taxing units in the manner prescribed in subdivision (1). The legislative body of the unit may approve the commission's determination or modify the amount of the excess assessed value that will be allocated to the respective taxing units in the manner prescribed in subdivision (1).

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by any taxing unit after the effective date of the allocation provision of the declaratory resolution is the lesser of:

- (1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or
 - (2) the base assessed value.
- (d) Property tax proceeds allocable to the redevelopment district



under subsection (b)(3) may, subject to subsection (b)(4), be irrevocably pledged by the redevelopment district for payment as set forth in subsection (b)(3).

(e) Notwithstanding any other law, each assessor shall, upon petition of the redevelopment commission, reassess the taxable property situated upon or in, or added to, the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

- (1) the assessed value of the property as valued without regard to this section; or
- (2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(3) shall establish an allocation fund for the purposes specified in subsection (b)(3) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund any amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(3) for the year. The amount sufficient for purposes specified in subsection (b)(3) for the year shall be determined based on the pro rata portion of such current property tax proceeds from the part of the enterprise zone that is within the allocation area as compared to all such current property tax proceeds derived from the allocation area. A unit that has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(3) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) in the fund derived from property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund (based on the recommendations of the urban enterprise association) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or other purposes specified in subsection (b)(3), except that where reference is made in



subsection (b)(3) to allocation area it shall refer for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone. Those programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment of real property in an area under IC 6-1.1-4-4 and after each reassessment in an area under a reassessment plan prepared under IC 6-1.1-4-4.2, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the reassessment of the real property in the area on the property tax proceeds allocated to the redevelopment district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the redevelopment district under this section. However, the adjustments under this subsection:

- (1) may not include the effect of phasing in assessed value due to property tax abatements under IC 6-1.1-12.1;
- (2) may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(3) than would otherwise have been received if the general reassessment, the reassessment under the reassessment plan, or the annual adjustment had not occurred; and
- (3) may decrease base assessed value only to the extent that assessed values in the allocation area have been decreased due to annual adjustments or the reassessment under the reassessment plan.

Assessed value increases attributable to the application of an abatement schedule under IC 6-1.1-12.1 may not be included in the base assessed value of an allocation area. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

(i) The allocation deadline referred to in subsection (b) is determined in the following manner:

- (1) The initial allocation deadline is December 31, 2011.
- (2) Subject to subdivision (3), the initial allocation deadline and subsequent allocation deadlines are automatically extended in increments of five (5) years, so that allocation deadlines



subsequent to the initial allocation deadline fall on December 31, 2016, and December 31 of each fifth year thereafter.

(3) At least one (1) year before the date of an allocation deadline determined under subdivision (2), the general assembly may enact a law that:

(A) terminates the automatic extension of allocation deadlines under subdivision (2); and

(B) specifically designates a particular date as the final allocation deadline."

Renumber all SECTIONS consecutively.

(Reference is to SB 422 as reprinted February 3, 2015.)

GROOMS

